MONTROSE CHEMICAL CORPORATION OF CALIFORNIA

mccc@montrosechemical.com

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Carolyn d' Almeida
Remedial Project Manager
U.S. Environmental Protection Agency, Region 9
75 Hawthorne Street
San Francisco, CA 94105

Dear Ms. d' Almeida:

I have enclosed Montrose Chemical Corporation of California's ("Montrose") responses to the technical and legal issues raised by the Environmental Protection Agency, Region 9, Staff's ("Staff") January 27, 2010 comments on Montrose's draft Feasibility Study ("FS") for dense non-aqueous phase liquid ("DNAPL") remediation at the Montrose Superfund Site ("Site"). I agree with the responses.

I am writing separately to emphasize the grave concerns I have about the Staff's obvious intentions for the DNAPL program, made plain by the sum and substance of your recent comments. Since you and several other members of your team are relatively new to this 27 year-old project, I want to assure you that my concerns about the DNAPL program are not just another complaint from a company prone to complaining. To the contrary, Montrose has endeavored to work with EPA in order to resolve its alleged liabilities cooperatively. (I have listed some of our major past agreements in the footnote below for your information.[1]) You should also know that Montrose's total expenditures on investigations, oversight costs, response actions and settlements to date already exceed $100 million. Plainly, this is also not a case in which the company has refused to make an investment.

In addition to our past accomplishments, I am also optimistic that we will soon resolve two other major areas. As you know, the groundwater remedial design is well underway, and we now expect to negotiate a remedial action consent decree for that effort later this year. The on-site and near-property soils feasibility study is also progressing, and based on its current

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[1] Administrative Order on Consent No. 85-04 (October 28, 1985), as amended on October 28, 1987 and on July 11, 1989; Partial Consent Decree Relating to Onshore Past Costs (October 19, 2000); Partial Consent Decree Relating to Offshore Materials and Department of Justice Costs (March 14, 2001); Partial Consent Decree Relating to the Current Storm Water (June 24, 2002); Partial Consent Decree Relating to the Neighborhood Areas (June 24, 2002); and Administrative Settlement Agreement and Order on Consent Relating to Residential Soils (November 2, 2007).

direction, I believe that this issue will also be resolved by agreement. The only exception to our demonstrated historic ability to resolve issues through reasonable compromises is the DNAPL program, and I can assure you that this is not because Montrose has suddenly decided to change its stripes and become unreasonable.

We have both spent considerable time and effort during the last several years defining the nature and extent of the DNAPL problem and identifying appropriate response actions. Montrose has retained some of the world's foremost professional and academic experts to assist it in this effort. Based on their considered opinions, I have been troubled by the Staff's clear intention to compel the implementation of an aggressive thermal remedy at the site. Were that to be full scale steam injection, the probable true cost would be over $100 million. And despite Ms. Eva Davis' optimistic projections, there is no realistic possibility that the results of this effort would materially shorten the groundwater remedy, or significantly reduce future environmental risks to a degree materially different from less expensive options. And, I am stunned by the Staff's claim that "greenhouse gas (GHG) emissions should not be used to screen out DNAPL remediation alternatives" and by the requirement that Montrose "remove statements regarding GHG emissions from all sections of the report beyond the discussion of short term effectiveness," despite the fact that a full scale steam remedy would probably release 400-500 million pounds of CO_2 into the atmosphere. (There are other problematic human health and environmental risks associated with this remedy that are discussed in the enclosures.)

Thus, I am extremely troubled by the Staff's comments. If followed, the Feasibility Study would not present a full and fair presentation of the true costs, benefits, detriments and risks of either hydraulic displacement ("HD") or thermal remediation. If the comments were followed, the decision-maker will not be given the information and analyses necessary to make an informed determination based on an independent balancing of the factors that must be considered under the National Contingency Plan, and that should be considered as a matter of common sense. The required discrediting of HD and glorification of thermal could only lead to a single predetermined conclusion – the implementation of the largest DNAPL steam remediation project in the United States. Logically and legally, this is not the right way to proceed. But if that in fact is what EPA demands, it is most certainly not the way Montrose will go.

We are at the crossroads. We will either find a mutually acceptable path forward, or else we will have to involve others in resolving our dispute. I hope the former, and our meetings on May 5 and 6 will determine whether that is possible. We look forward to seeing you then, and would be happy to answer any questions you may have beforehand.

Sincerely yours,

Joe Kelly / SRC

Joseph C. Kelly
President

600 Ericksen Ave. NE • Suite 380 • Bainbridge Island • WA • 98110 • Phone 206-780-9840 • Fax 206-780-2109